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FM AMCONSUL JERUSALEM
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INFO RUEHXX/ARAB ISRAELI COLLECTIVE PRIORITY
RHEHNSC/WHITE HOUSE NSC PRIORITY

C O N F I D E N T I A L JERUSALEM 001524

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NEA FOR FRONT OFFICE; NSC FOR ABRAMS/DORAN/MUSTAFA;
DS/IP/NEA

E.O. 12958: DECL: 04/14/2016
TAGS: [KPAL](#) [KWBG](#) [PREL](#) [IS](#)
SUBJECT: TAXI PERMIT DISPUTE PRECIPITATES AL-AQSA ATTACK ON
PA OFFICES

REF: A. JERUSALEM 01262
[1B.](#) JERUSALEM 00974
[1C.](#) JERUSALEM 01467

Classified By: Consul General Jake Walles, per reasons 1.4 (b) and (d).

[11.](#) (C) SUMMARY: Fatah-affiliated militants attacked the offices of the PA Prime Minister Isma'il Hanniyah and Transportation Minister Ziad Thatha on April 13 in response to the HAMAS-led government's decision not to disburse taxi permits that PA officials have used in the past to co-opt armed Fatah factions. Fatah observers describe the incident as part of a larger effort by elements within Fatah to undermine and embarrass the HAMAS-led government, but said the tactic could backfire because of the perception that HAMAS is attempting to "clean up" government while Fatah militants seek ways to maintain their privileges. END SUMMARY.

PM and Transportation Minister's
Offices Attacked

[12.](#) (C) Approximately 27 gunmen from the Fatah-affiliated al-Aqsa Martyrs Brigades (al-Aqsa) invaded the Ramallah office of PA Prime Minister Isma'il Hanniyah at 1030L on April 13. After forcing civil service employees to evacuate the building and firing celebratory shots from the roof, the gunmen released a statement to the media demanding that the PA distribute 530 taxi permits approved by the previous government for Fatah activists in the northern West Bank. Later on April 13, a separate group of gunmen overran the office of Transportation Minister Ziad Thatha (ref A). (Note: Both groups of gunmen were reportedly from al-Aqsa factions based in the northern West Bank. END NOTE.) By 1900L, Interior Ministry officials had negotiated an end to the protest. The militants were allowed to maintain a symbolic, less disruptive protest at the Transportation Ministry.

Attempt at Transparency by
HAMAS Minister Precipitates Crisis

[13.](#) (C) The dispute over the taxi permits began during the March 6 session of the Palestinian Legislative Council (PLC), when the newly formed PLC passed a resolution suspending all promotions, pay raises and other measures taken by the outgoing PLC (ref B). The measure effectively curtailed the disbursement of lucrative taxi permits that the outgoing government had promised to provide to Fatah activists in the

northern West Bank. On March 30, newly appointed Transportation Minister Ziad Thatha announced that he had given an order not to disburse the additional permits because there was already a 25 percent excess supply of taxis in the West Bank and any further issuance of taxi permits would reduce driver incomes. In response, al-Aqsa militants attacked a Transportation Ministry office in Tulkarem on April 4.

Background Notes on PA
Taxi Permit Corruption

14. (C) Taxis are a lucrative business in the West Bank because many Palestinians cannot transit IDF checkpoints in their own vehicles. Instead, most Palestinians travel between municipalities via the "back-to-back" system, i.e. by switching taxis at each Israeli security barrier. Beginning in the Arafat era, PA officials began using control of the transportation trade as a tool of political patronage. Arafat famously rewarded the needy families of "martyrs" with taxi permits that they could lease to generate income. Several PA security chiefs expanded the practice by rewarding loyal officers and al-Aqsa militants with taxi permits. A number of PASF officers have commented to Poloff that they make more money from leasing the taxi permits they own than from their PA salaries.

15. (C) At some point in 2005, President Abbas' office gave Tulkarem-based Fatah activist Moin al-Jabri the right to distribute 530 additional taxi permits to Fatah activists and al-Aqsa militants who refrained from disrupting the Israeli disengagement from the northern West Bank or the PLC elections. HAMAS' subsequent victory in the PLC elections effectively prevented the PA from fulfilling that promise.

Fatah Officials Say Attacks are
Part of Effort to Discredit HAMAS

16. (C) Fatah Youth director Ahmad Ebwaini told ConGen Poloff that the April 13 attacks are part of a wider effort by Fatah elements to embarrass the HAMAS-led government (Ref C). (NOTE: It is highly unlikely that the al-Aqsa militants would have been able to transit from their homes in the northern West Bank to Ramallah and overrun the Prime Minister's office without the assistance or complicity of elements of the PASF. END NOTE.) Ebwaini criticized Fatah's choice to use the taxi permit dispute as an opportunity to embarrass HAMAS saying most Palestinians are aware of PA corruption with taxi permits and approved of HAMAS' efforts to "clean up" the transportation industry in the West Bank. Senior Fatah leader Hussein al-Sheikh expressed similar sentiments saying efforts by al-Aqsa militants to maintain their privileges were "bad PR for Fatah." Al-Sheikh speculated that the attacks on PA offices were a harbinger of further Fatah efforts to embarrass HAMAS and said greater violence was likely if the HAMAS-led government chose to confront more extravagant examples of PA corruption and patronage.

WALLES